

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION

IN RE: POLICY OF INSURANCE NO. §  
2518256 BY AND BETWEEN SENTRY §  
SELECT INSURANCE COMPANY, § CIVIL ACTION NO. 5:22-cv-371  
INSURER and MOTOR IMPORTS LTD. §

**NOTICE OF REMOVAL**

Defendant, Sentry Select Insurance Company (“Sentry”) hereby files this Notice of the Removal of this case from the 198<sup>th</sup> Judicial District Court of Kerr County, Texas, to the United States District Court for the Western District of Texas, San Antonio Division, pursuant to 28 U.S.C. § 1441 and 1446(b) and would show the Court as follows:

1.

Sentry has been sued by Motor Imports Ltd. (“Motor Imports”) in Cause No. 2299B, entitled “In Re: Policy of Insurance No. 2518256 By And Between Sentry Select Insurance Company, Insurer and Motor Imports Ltd.”, currently pending in the 198<sup>th</sup> Judicial District Court of Kerr County, Texas. That lawsuit was originally filed on February 16, 2022 in the 198<sup>th</sup> Judicial District Court of Kerr County, Texas.

2.

Sentry first received notice of Motor Imports’ lawsuit on March 24, 2022, when Sentry was served with Motor Imports’ lawsuit by service on Sentry’s registered agent for service of process. Sentry is filing this notice within thirty days of that date, making this removal timely under 28 U.S.C. § 1446(b).

3.

At the date of commencement of this action and at all pertinent times, Sentry is a citizen of

the State of Wisconsin, being an insurance company incorporated in the State of Wisconsin and having its principal place of business in the State of Wisconsin.

4.

Motor Imports Ltd. is a citizen of the State of Texas, being a limited liability partnership formed under the laws of the State of Texas, whose general partner, Manchester Financial Holdings, L.L.C. is a citizen of the State of Texas, being a limited liability company formed under the laws of the State of Texas and having its principal place of business in the State of Texas, and whose other partners are not citizens of the State of Wisconsin, which is the state of citizenship of Sentry.

5.

Sentry would show that after a diligent search, including of all filings made with the Texas Secretary of State, the limited partners of Motor Imports have not been able to be identified. Despite this, Sentry can safely assert that Motor Imports is not a citizen of the State of Wisconsin, as no partner of Motor Imports is a citizen of the State of Wisconsin. Since no partner of Motor Imports is a citizen of the State of Wisconsin, which is the state of citizenship of Sentry, complete diversity of citizenship exists in this matter as between Sentry and Motor Imports.

6.

As to Manchester Financial Holdings, L.L.C., it is a citizen of the State of Texas, as its only member, Charles T. Barrett, Jr., is a citizen of the State of Texas, being an individual residing in and domiciled in the State of Texas. Thus, complete diversity of citizenship exists between Sentry and Manchester Financial Holdings, L.L.C.

7.

This action may be removed to this Court by Sentry, pursuant to 28 U.S.C. § 1332 and 28

U.S.C. § 1441, it being a civil action wherein the amount in controversy exceeds \$75,000.00, exclusive of interest and costs, as between citizens of different states. The amount in controversy requirement is easily satisfied by Exhibits E and F to Motor Imports' Petition, which show Motor Imports' insurance claim to Sentry that is in dispute is well in excess of \$75,000, thereby satisfying the amount in controversy required for diversity jurisdiction.

8.

The attorneys involved in the case are as follows:

Mr. Thomas D. Jones  
Texas State Bar No. 10959300  
608 Broadway  
San Antonio, Texas 78205  
(210) 736-9600  
(210) 735-0200 (Fax)  
E-Mail: [lotjlaw@tdjones.com](mailto:lotjlaw@tdjones.com)  
Attorney for Motor Imports Ltd.

Mr. Russell J. Bowman  
Texas State Bar No. 02751550  
800 West Airport Freeway, Suite 860  
Irving, Texas 75062  
(214) 922-0220  
(214) 922-0225 (Fax)  
E-Mail: [russelljbowman@sbcglobal.net](mailto:russelljbowman@sbcglobal.net)  
Attorney for Sentry Select Insurance Company

9.

Copies of all the pleadings which have been filed or served in this action to date, and which are attached as Exhibits "A" - "B" include the following:

- a. Motor Imports' Application for the Appointment of an Umpire; and
- b. Citation served on Sentry.

To the best of Sentry's knowledge, no other pleading, process or order has been filed or served in the state court lawsuit referred to above.

Wherefore, Sentry Select Insurance Company, prays that this action be removed to this Court from the 198<sup>th</sup> Judicial District Court of Kerr County, Texas and for such further proceedings as may be necessary.

Respectfully submitted,

/S/Russell J. Bowman  
Russell J. Bowman  
Texas State Bar No. 02751550  
800 West Airport Freeway, Suite 860  
Irving, Texas 75062  
(214) 922-0220  
(214) 922-0225 (FAX)  
E-Mail: russelljbowman@sbcglobal.net  
ATTORNEY FOR DEFENDANT

CERTIFICATE OF SERVICE

This is to certify that on April 17, 2022, I electronically filed the foregoing document with the clerk of court for the U. S. District Court, Western District of Texas, using the electronic case filing system of the court.

I hereby certify that I have served a true and correct copy of the foregoing document on all counsel of record, as indicated below, on this the 17<sup>th</sup> day of April, 2022:

Mr. Thomas D. Jones  
608 Broadway  
San Antonio, Texas 78205

VIA E-MAIL: [lotjlaw@tdjones.com](mailto:lotjlaw@tdjones.com)

/S/Russell J. Bowman  
Russell J. Bowman

## EXHIBIT A

Filed 2/16/2022 6:26 PM  
Dawn Kay Lantz  
District Clerk - Kerr County, TX  
By: Jessica Salinas, Deputy

CAUSE NO. 2299B

IN RE: POLICY OF INSURANCE NO.	§	IN THE DISTRICT COURT
2518256 BY AND BETWEEN SENTRY	§	
SELECT INSURANCE COMPANY,	§	198th JUDICIAL DISTRICT
INSURER and MOTOR IMPORTS LTD.	§	
	§	KERR COUNTY, TEXAS

APPLICATION FOR THE APPOINTMENT OF AN UMPIRE

TO THE HONORABLE JUDGE OF THIS COURT:

COMES NOW, MOTOR IMPORTS LTD., (INSURED) and moves for the appointment of a competent and disinterested umpire in connection with the appraisal of INSURED's insurance claim number 57F136724 SENTRY SELECT INSURANCE COMPANY, hereinafter referred to as the "INSURANCE COMPANY" pursuant to insurance policy number 2518256 with a date of loss on or about 03/24/2021, issued by SENTRY SELECT INSURANCE COMPANY, and would show the Court as follows:

I.  
PARTIES AND SERVICE

INSURED is the insured under that certain policy of insurance numbered 2518256. A true and correct copy of which is attached hereto as Exhibit "A". INSURED has appointed Mr. Mickey L. Jones, as its adjuster associated with this claim.

INSURANCE COMPANY is the insurance provider for the policy of insurance numbered 2518256 and, may be served with process herein by service upon its registered agent, CT Corporation System, 1999 Bryan Street, Suite 900, Dallas, Texas 75201-4284.

II.  
JURISDICTION AND VENUE

This Court has jurisdiction of this Application pursuant to Texas Constitution Article V, §8. Venue is proper in Kerr County, Texas pursuant to Texas Civil Practices & Remedies Code §15.002(a)(1) in that all or a substantial part of the events giving rise to the claim made the basis of this Application occurred in Kerr County, Texas.

III.  
INTRODUCTION

INSURED is insured by INSURANCE COMPANY under insurance policy number 2518256 (the POLICY). INSURED is the owner of certain buildings and facilities located at 32120 IH 10 West, Boerne, Texas 78006, as shown on Exhibit "B", attached hereto (collectively, the PROPERTY).

INSURED suffered a loss on or about 03/24/2021, to the PROPERTY. INSURED filed a claim number 57F136724 pursuant to the POLICY, in connection with the damage to the PROPERTY.

INSURED maintains that the buildings were damaged to the extent that they require major repair and/or replacement as a result of the damage to the property. In response, INSURANCE COMPANY engaged an adjuster to investigate the extent to which such buildings may have been damaged and to opine on those damages. It is INSURANCE COMPANY'S position that the buildings have been damaged but not to the extent claimed by INSURED.

INSURED and INSURANCE COMPANY disagree on the value of the damage to the buildings on the PROPERTY. Pursuant to the Commercial Property Coverage Form of the Policy,

a true and correct copy of which is attached hereto as Exhibit "C", the policy provides and the parties agreed:

"If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction."

See Exhibit "C", Page 10 of 16, attached hereto.

By letter dated August 2, 2021, INSURED timely demanded an appraisal pursuant to the above provisions and provided its claim of loss and demand for payment, a true and correct copy of same is attached hereto as Exhibit "D".

INSURED appointed Mr. Micky L. Jones, as its appraiser pursuant to the appraisal requirements of the POLICY. (See a true and correct copy of same attached hereto as Exhibit "D".)

INSURED by letter dated August 2, 2021, made a demand for Indemnification under the policy provisions. Furthermore, INSURED gave notice of the policy provisions concerning a dispute and demand for appraisal. Additionally INSURED gave notice of the policy provisions concerning estimate, demand for appraisal and the time provisions concerning Appraisal and request for an Appointment for an Umpire by a Judge of competent jurisdiction. See Exhibit "D", a true and correct copy of same is attached hereto.

INSURED by letter dated August 23, 2021, informed INSURANCE COMPANY of INSURANCE COMPANY's Receipt of the Insured Estimate and Insured Request for Appraisal. (See a true and correct copy of same attached hereto as Exhibit "E").



More than fifteen (15) days have passed and the parties' appraisers have failed to agree upon an umpire.

All conditions precedent to the appointment of an umpire have occurred. According to the terms of the POLICY, no hearing is required for the appointment of an umpire.

Therefore, INSURED respectfully requests that the Court appoint a competent and disinterested person as umpire pursuant to the POLICY.

IV  
PRAYER

WHEREFORE, PREMISES CONSIDERED, INSURED respectfully asks the Court to appoint an umpire for the appraisal pursuant to the POLICY, and for such further relief, at law or in equity, to which the Applicant is justly and further entitled.

Respectfully submitted,

LAW OFFICES OF THOMAS D. JONES, P.C.  
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San Antonio, Texas 78215  
Tele: 210-736-9600  
Fax: 210-735-0200  
E-mail: [tdjlaw@tdjones.com](mailto:tdjlaw@tdjones.com)

By: \_\_\_\_\_

THOMAS D. JONES  
State Bar No. 10959300

ATTORNEY MOTOR IMPORTS LTD.

# Exhibit

"A"

COMMERCIAL PROPERTY  
CP 00 10 10 12

## BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H, Definitions.

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, A.1., and limited in A.2. Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

##### a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

##### b. Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and

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Middlesex Insurance Company

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(b) You acquired or made at your expense but cannot legally remove;

(7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

**c. Personal Property Of Others that is:**

(1) In your care, custody or control; and

(2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities, Lottery tickets held for sale are not securities;

b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;

c. Automobiles held for sale;

d. Bridges, roadways, walks, patios or other paved surfaces;

e. Contraband, or property in the course of illegal transportation or trade;

f. The cost of excavations, grading, backfilling or filling;

g. Foundations of buildings, structures, machinery or boilers if their foundations are below:

(1) The lowest basement floor; or

(2) The surface of the ground, if there is no basement;

h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);

i. Personal property while airborne or waterborne;

j. Bulkheads, pilings, piers, wharves or docks;

k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;

l. Retaining walls that are not part of a building;

m. Underground pipes, flues or drains;

n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;

o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;

p. Vehicles or self-propelled machines (including aircraft or watercraft) that:

(1) Are licensed for use on public roads; or

(2) Are operated principally away from the described premises.

This paragraph does not apply to:

(a) Vehicles or self-propelled machines or autos you manufacture, process, or warehouse;



Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

**(5) Examples**

The following examples assume that there is no Coinsurance penalty.

**Example 1**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

**Example 2**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable:	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

**b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**e. Increased Cost Of Construction**

(1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.

(2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance of law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.

(3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building was undamaged; and

(b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced at the same or another premises; and

(ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.



- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.
- f. Electronic Data**
- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.



(4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations, or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

#### 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

##### a. Newly Acquired Or Constructed Property

###### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

#### (2) Your Business Personal Property

(a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

#### (3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.

(2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) If the Causes Of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.

(3) If the Causes Of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

**d. Property Off-premises**

(1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:

(a) Temporarily at a location you do not own, lease or operate;

(b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

(c) At any fair, trade show or exhibition.

(2) This Extension does not apply to property:

(a) In or on a vehicle; or

(b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

**f. Non-owned Detached Trailers**

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Business Personal Property Temporarily In Portable Storage Units**

(1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

(2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.

(3) Coverage under this Extension:

(a) Will end 90 days after the business personal property has been placed in the storage unit;

(b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.

(4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.

(5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes of Loss form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

#### Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance - Building 1:	\$ 60,000
Limit of Insurance - Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 59,850 Loss Payable - Building 1.

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:  
\$59,850 + \$80,000 = \$139,850

#### Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable - Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable - Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

##### 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

(1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request, to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this Insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.



h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

#### 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### 6. Vacancy

##### a. Description Of Terms:

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations;

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

#### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

#### 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass, at the cost of replacement with safety-glazing material, if required by law.

e. Tenants' improvements and betterments at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing, if others pay for repairs or replacement.

#### F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and

(4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

##### Example 1 (Underinsurance).

When: The value of the property is: \$ 250,000  
 The Coinsurance percentage for it is: 80%  
 The Limit of Insurance for it is: \$ 100,000  
 The Deductible is: \$ 250  
 The amount of loss is: \$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

##### Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000  
 The Coinsurance percentage for it is: 80%  
 The Limit of Insurance for it is: \$ 200,000  
 The Deductible is: \$ 250  
 The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 ( $\$40,000$  amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

#### Example 3.

When:	The value of the property is:	
	Building at Location 1:	\$ 75,000
	Building at Location 2:	\$ 100,000
	Personal Property at Location 2:	\$ 75,000
		<u>\$ 250,000</u>
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location 2:	\$ 30,000
	Personal Property at Location 2:	\$ 20,000
		<u>\$ 50,000</u>

Step (1):  $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

#### 2. Mortgageholders

- The term mortgageholder includes trustee.
- We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy, or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

#### G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

##### 1. Agreed Value

- The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.



b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and
- (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

## 2. Inflation Guard

a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

### Example

If: The applicable Limit of Insurance is: \$100,000  
 The annual percentage increase is: 8%  
 The number of days since the beginning of the policy year (or last policy change) is: 146  
 The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$

## 3. Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.

b. This Optional Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence;
- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

(4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

d. We will not pay on a replacement cost basis for any loss or damage:

- (1) Until the lost or damaged property is actually repaired or replaced; and
- (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

(3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and

(4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:

- (1) The Limit of Insurance applicable to the lost or damaged property;
- (2) The cost to replace the lost or damaged property with other property:
  - (a) Of comparable material and quality; and
  - (b) Used for the same purpose; or
- (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

**4. Extension Of Replacement Cost To Personal Property Of Others**

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

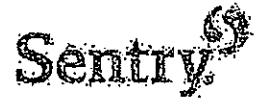
If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

**H. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

# **Exhibit**

## **"B"**



POLICY NUMBER: 2518256002

**COMMERCIAL PROPERTY COVERAGE DECLARATIONS**

Sentry Select Insurance Company (A Participating Stock Company) A member of the Sentry Insurance Group 1800 North Point Drive Stevens Point, WI 54481	Producer  James Scribner 10000345 210-473-4254
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**POLICY INFORMATION**

First Named Insured: Motor Imports Ltd.  
 Address: 32120 1h 10 W  
 PO Box 2441  
 Boerne, TX 78006-1400

The Commercial Property Coverage applies from 07/01/2020 to 07/01/2021 at 12:01 A.M. Standard Time at the First Named Insured's mailing address shown above.

**Additional Interests**

The persons or organizations listed as Additional Interests, in the Additional Interests Supplemental Schedule, are included as loss payees, lenders loss payees, mortgagees, or additional insureds, but only for the coverages and to the extent of their interest as indicated.

**Applicable Forms And Endorsements**

In addition to the common policy forms and endorsements, the following forms and endorsements apply to the Commercial Property Coverage:

Form/Endorsement Number and Edition Date	Form/Endorsement Title
80 579 P 01 20	Notice To Policyholders Potential Restrictions Of Terrorism Coverage
CP 00 10 10 12	Building And Personal Property Coverage Form
CP 00 30 10 12	Business Income (And Extra Expense) Coverage Form
CP 00 90 07 88	Commercial Property Conditions
CP 01 40 07 06	Exclusion Of Loss Due To Virus Or Bacteria
CP 01 42 03 12	Texas Changes
CP 10 30 10 12	Causes Of Loss - Special Form
CP 10 36 10 12	Limitations On Coverage For Roof Surfacing
CP 12 18 10 12	Loss Payable Provisions
CP 15 31 10 12	Ordinance Or Law - Increased Period Of Restoration
CP 15 45 10 12	Utility Services - Time Element
CP 70 23 10 01	Personal Property Leased
CP 70 24 10 12	Contingent Replacement Cost
CP 70 27 10 12	Agreed Value
CP 70 47 10 13	Equipment Breakdown
CP 70 50 09 00	Texas Changes - Equipment Breakdown
CP 88 03 10 01	False Pretense Extension For Stock
CP 88 10 10 12	Extended Recovery Endorsement - Buildings

Change effective 12/30/2020

CP 89 01 10 14

2518256

Sentry Select Insurance Company

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Page 1 of 4  
01/08/2021

POLICY NUMBER: 2518256002

**Form/Endorsement  
Number and Edition Date**

CP 88 11 10 12

CP 88 12 10 12

IL 02 75 11 13

IL 09 53 01 15

IL 09 95 01 07

IL 70 11 10 12

IL 70 26 07 13

IL 70 40 10 12

**Form/Endorsement Title**

Dealers Broadened Building And Personal Property Coverage

Dealers Broadened Annual Business Income Coverage

Texas Changes - Cancellation And Nonrenewal Provisions For Casualty Lines  
And Commercial Package Policies

Exclusion Of Certified Acts Of Terrorism

Conditional Exclusion Of Terrorism (Relating To Disposition Of Federal Terrorism  
Risk Insurance Act)

Coverage Extension - Theft Damage To Buildings

Multiple Line Occurrence Deductible

Exclusion Of Certain Computer-Related Losses

**COVERAGES****PREMISES NO.: 1****BUILDING NO.: 1**

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance	Deductible
Your Business Personal Property	Blanket 1, See Blanket Limits Schedule	Special Including Theft Equipment Breakdown	90%	\$5,000

**Optional Coverages**

Agreed Value

Contingent Replacement Cost

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance
Business Income (And Extra Expense) Coverage: Other Than Rental Value.	Actual Loss Sustained 12 Months	Special Including Theft Equipment Breakdown	

**Optional Coverages**

Extended Period of Indemnity 90 days

**PREMISES NO.: 2****BUILDING NO.: 1**

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance	Deductible
Building	\$8,799,000	Special Including Theft Equipment Breakdown		\$5,000

**Optional Coverages**

Extended Recovery

Page 2 of 4

2518256

Sentry Select Insurance Company

Change effective 12/30/2020

CP 89 01 10 14

01/08/2021

POLICY NUMBER: 2518256002

**COVERAGES**

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance	Deductible
<b>Your Business Personal Property</b>	Blanket 1, See Blanket Limits Schedule	Special Including Theft Equipment Breakdown	90%	\$5,000

**Optional Coverages**

Agreed Value  
Contingent Replacement Cost

Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance
<b>Business Income (And Extra Expense) Coverage:</b> Other Than Rental Value.	Actual Loss Sustained 12 Months	Special Including Theft Equipment Breakdown	
Ordinance or Law - Increased Period of Restoration Applies			

**Optional Coverages**

Extended Period of Indemnity 90 days

**BLANKET LIMITS SCHEDULE**

Blanket No.	Blanket Limit of Insurance
1	\$2,379,000

**COMMERCIAL PROPERTY POLICY OPTIONAL COVERAGES****Dealers Broadened Building And Personal Property Coverage Endorsement**

Direct Loss Blanket Limit	\$25,000	Per Building Per Occurrence
---------------------------	----------	-----------------------------

**Dealers Broadened Annual Business Income Coverage Endorsement**

Indirect Loss Blanket Limit	\$25,000	Per Building Per Occurrence
-----------------------------	----------	-----------------------------

**Utility Services - Time Element Endorsement**

Premises No.	Building No.	Causes Of Loss Form Applicable	Earthquake Coverage	Utility Service Limit of Insurance	Described Utility Service(s) Only applies to the services listed
1	1	Special	No	\$351,918	Power Supply - Including Overhead Transmission Lines Water Supply Communications Supply - Including Overhead Transmission Lines
2	1	Special	No	\$351,918	Communications Supply - Including Overhead Transmission Lines Power Supply - Including Overhead Transmission Lines Water Supply

Change effective 12/30/2020

CP 89.01 10:14

2518256

Sentry Select Insurance Company

p 00002,00003,00000 21000 9, N

02002003-6644-4990-0460-070333600394

Page 3 of 4

04/08/2021

POLICY NUMBER: 2518256002

**COMMERCIAL PROPERTY POLICY OPTIONAL COVERAGES**

**Limitations On Coverage For Roof Surfacing**

Premises No.	Building No.	Indicate Applicability (Paragraph A. and/or Paragraph B.)
2	1	Paragraph B

# Exhibit "C"



The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

#### Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance - Building 1:	\$ 60,000
Limit of Insurance - Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100

- 250

\$ 59,850 Loss Payable - Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

#### Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable - Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable - Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

##### 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.

# Exhibit "D"

# BARRETT

## JAGUAR LAND ROVER BOERNE

August 2, 2021

Sentry Select Insurance  
Attn: Eric Dombrowski- Claims Representative  
1800 N. Point Dr.  
Stevens Point, WI 54481

Insured: Barrett Motor Imports, Ltd  
Attn: Dale Haines- General Manager  
32120 IH 10 W.  
Boerne, Texas 78006

Loss Location- Same  
Policy#: 2518256  
Claim#: 57F136724  
Date of loss: On or about 03/24/2021

Mr. Dombrowski,  
Please let this letter act as a request to dispute the value of our loss. We would at this time like to thank you for the advance payment on our claim. WE want all the Roof coverings, and hail damaged HVAC units, exterior wind/Hail damaged Building items, and All Water damaged Interior of our Building repair/replaced at market value addressed at this time. We are in disagreement on what we deem Damaged versus what your opinion is. This is our demand for Indemnification under the Policy provisions. If this demand is NOT met, within 5 days; we then have a disagreement either on Price or scope, and we would then at this time under the Policy provisions request Appraisal.

According to the policy, if either party does not agree with the amount of the loss, the loss can be appraised if either party sends a written demand of a dispute and demands appraisal. By this letter, estimate, and according to the foregoing, I am demanding appraisal per the insurance policy. We have named our appraiser as: Mickey E. Jones

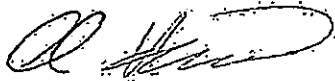
624 W. University Dr. Ste#272

Denton, Texas 76201

Cell: 940-367-4632

Email: mickey@appraisers4u.com

for our appraisal process. Please have your appraiser who will be handling this appraisal make immediate contact with our appraiser regarding this claim; PER POLICY PROVISIONS, within the 20-day time limit; as in 15 days later our Appraiser will go before a District Judge name an umpire and will go to Appraisal with or without you. I am aware that I will pay my appraiser and 1/2 of the umpire fee.



JAGUARBOERNE.COM



LANDROVERBOERNE.COM

32120 IH-10 WEST BOERNE, TX 78006 • (830) 251-2800

**Exhibit**

**"E"**



**RICKEY CONRADT INTERNATIONAL, INC**  
 448 Elm. Creek Rd., New Braunfels, TX 78132  
 TDI#2505600 ENT#84-5156215  
 Cell-512-800-3614 email-rickey@mailrci.com

<b>CLAIM NO.: 57F136724-223</b> Reinspection <input type="checkbox"/>		<b>INSURED</b>	
<b>Policy No.:</b> Sentry-2518256 <b>Date of Loss:</b> 03/23/2021 12:00 AM <b>Type of Loss:</b> Wind/Hail <b>Deductible:</b> \$5,000.00 <b>Year Built:</b> <b>Cat No.:</b> <b>Adjuster:</b> <b>Phone:</b> <b>Email:</b> rickey@mailrci.com		<b>Dale Haines (Motor Imports LTD)</b> 32120 IH 10 West Boerne TX 78006 <b>Home phone:</b> <b>Business phone:</b> <b>Mobile phone:</b> <b>Bus. Fax:</b> <b>Contact:</b>  <b>Loss address:</b> 32120 IH 10 West Boerne TX 78006	
<b>Status:</b> <input checked="" type="checkbox"/> Claim Opened <b>Age:</b> 153d ...		<b>Assignees:</b>	
<b>Originated:</b> 07/15/2021, 3:01 PM <b>by</b>			
<b>Created:</b> 08/2/2021 <b>Assigned:</b>		<b>Policy Type:</b>	
<b>Received:</b>	<b>Contacted:</b>	<b>Renewed:</b> time(s)	
<b>Inspected:</b>	<b>Estimated:</b>	<b>Effective from:</b> <b>to:</b>	
<b>Approved:</b>	<b>Job Started:</b>	<b>Coverage</b>	<b>Limits</b>
<b>Completed:</b>	<b>Closed:</b>	<b>Deductible</b>	<b>Reserve</b>
<b>Overall risk condition:</b>			

**CAUSE**

**ADJUSTED**

**GENERAL COMMENTS**



**RICKEY CONRADT INTERNATIONAL, INC**  
 448 Elm Creek Rd., New Braunfels, TX 78132  
 TDI#2505600 ENT#84-5156215  
 Cell-512-800-3614 email-rickey@mailrci.com

Description	Quantity	Unit Price	Per	Total Cost
<b>ESTIMATE: Structure (Appraisers) Claim #57F136724-223, Mr. Dale Haines and General Manager (Motor Imports LTD)</b>				
<b>RoofPLAN: Roofplan</b>				
<b>Roof</b> Roof area: 15,601.83 SF Squares: 156.0 SQ Soffit: 858.51 SF Gutters: 433.24 LF Ridge: 0.00 LF Valley: 0.00 LF Hip rafter: 0.00 LF				
1 TPO Roofing, 80 mil, Fully Adhered - Remove	156.02	\$89.56	SQ	\$13,973.15
2 TPO Roofing, 80 mil, Fully Adhered - Replace	171.62	\$455.56	SQ	\$78,183.21
<input checked="" type="checkbox"/> Includes 10% waste on quantity.				
3 Counterflashing (LF) - Remove	433.24	\$0.56	LF	\$242.61
4 Counterflashing (LF) - Replace	454.90	\$6.70	LF	\$3,047.83
<input checked="" type="checkbox"/> Includes 5% waste on quantity.				
5 Parapet Wall Flashing, PVC - Remove	433.24	\$3.75	LF	\$1,624.65
6 Parapet Wall Flashing, PVC - Replace	454.90	\$26.32	LF	\$11,972.97
<input checked="" type="checkbox"/> Includes 5% waste on quantity.				
7 Roof Curb, TPO - Remove	433.24	\$5.11	LF	\$2,213.86
8 Roof Curb, TPO - Replace	476.56	\$23.25	LF	\$11,080.02
<input checked="" type="checkbox"/> Includes 10% waste on quantity.				
9 Insulation, Polyisocyanurate 3 1/2" - Remove	15,601.83	\$0.33	SF	\$5,148.60
10 Insulation, Polyisocyanurate 3 1/2" - Replace	16,381.92	\$3.29	SF	\$53,896.51
<input checked="" type="checkbox"/> Includes 5% waste on quantity.				
<input checked="" type="checkbox"/> Shows indentations from Hall to the TPO covering. This will lessen the R-factor of this material and is damaged.				
<b>Roof - Subtotal</b>				<b>\$181,383.41</b>

<b>Roof 2</b> Roof area: 6,214.52 SF Squares: 62.1 SQ Soffit: 317.00 SF Gutters: 158.50 LF Ridge: 0.00 LF Valley: 0.00 LF Hip rafter: 0.00 LF				
11 TPO Roofing, 80 mil, Fully Adhered - Remove	62.15	\$89.56	SQ	\$5,566.15
12 TPO Roofing, 80 mil, Fully Adhered - Replace	68.37	\$455.56	SQ	\$31,146.64
<input checked="" type="checkbox"/> Includes 10% waste on quantity.				
13 Counterflashing (LF) - Remove	158.50	\$0.56	LF	\$88.76
14 Counterflashing (LF) - Replace	166.43	\$6.70	LF	\$1,115.08
<input checked="" type="checkbox"/> Includes 5% waste on quantity.				
15 Parapet Wall Flashing, PVC - Remove	158.50	\$3.75	LF	\$594.38
16 Parapet Wall Flashing, PVC - Replace	166.43	\$26.32	LF	\$4,380.44

**RICKEY CONRADT INTERNATIONAL, INC**

448 Elm Creek Rd., New Braunfels, TX 78132

TDI#2505600 ENT#84-5156215

Cell-512-800-3614 email-rickey@mailrci.com

Description	Quantity	Unit Price	Per	Total Cost
<b>ESTIMATE: Structure (Appraisers): Claim #57F136724-223 Mr. Dale Haines and General Manager (Motor Imports LTD)</b>				
<input checked="" type="checkbox"/> In progress				
<input type="checkbox"/> Includes 5% waste on quantity.				
17 Roof Curb, TPO - Remove	158.50	\$5.11	LF	\$809.94
18 Roof Curb, TPO - Replace	174.35	\$23.25	LF	\$4,053.64
<input type="checkbox"/> Includes 10% waste on quantity.				
19 Insulation, Polyisocyanurate 3 1/2" - Remove	6,214.52	\$0.33	SF	\$2,050.79
20 Insulation, Polyisocyanurate 3 1/2" - Replace	6,525.25	\$3.29	SF	\$21,468.08
<input type="checkbox"/> Includes 5% waste on quantity.				
<input type="checkbox"/> Shows indentations from Hail to the TPO covering. This will lessen the R-factor of this material and is damaged.				
<b>Roof 2 - Subtotal</b>				<b>\$71,273.90</b>

<b>Roof 3</b>				
Roof area: 4,700.00 SF Squares: 47.0 SQ Soffit: 417.34 SF				
Gutters: 212.66 LF Ridge: 0.00 LF				
Valley: 0.00 LF Hip rafter: 0.00 LF				
21 TPO Roofing, 80 mil, Fully Adhered - Remove	47.00	\$89.56	SQ	\$4,209.32
22 TPO Roofing, 80 mil, Fully Adhered - Replace	51.70	\$455.56	SQ	\$23,552.46
<input type="checkbox"/> Includes 10% waste on quantity.				
23 Counterflashing (LF) - Remove	212.66	\$0.56	LF	\$119.09
24 Counterflashing (LF) - Replace	223.29	\$6.70	LF	\$1,496.04
<input type="checkbox"/> Includes 5% waste on quantity.				
25 Parapet Wall Flashing, PVC - Remove	212.66	\$3.75	LF	\$797.48
26 Parapet Wall Flashing, PVC - Replace	223.29	\$26.32	LF	\$5,876.99
<input type="checkbox"/> Includes 5% waste on quantity.				
27 Roof Curb, TPO - Remove	212.66	\$5.11	LF	\$1,086.69
28 Roof Curb, TPO - Replace	233.93	\$23.25	LF	\$5,438.88
<input type="checkbox"/> Includes 10% waste on quantity.				
29 Insulation, Polyisocyanurate 3 1/2" - Remove	4,700.00	\$0.33	SF	\$1,551.00
30 Insulation, Polyisocyanurate 3 1/2" - Replace	4,935.00	\$3.29	SF	\$16,236.15
<input type="checkbox"/> Includes 5% waste on quantity.				
<input type="checkbox"/> Shows indentations from Hail to the TPO covering. This will lessen the R-factor of this material and is damaged.				
<b>Roof 3 - Subtotal</b>				<b>\$60,364.10</b>



**RICKEY CONRADT INTERNATIONAL, INC**  
 448 Elm Creek Rd., New Braunfels, TX 78132  
 TDI#2505600 ENT#84-5156215  
 Cell-512-800-3614 email-rickey@mailrci.com

Description	Quantity	Unit Price	Per	Total Cost
ESTIMATE: Structure (Appraisers) Claim #57F136724-223, Mr. Dale Haines and General Manager (Motor Imports LTD)				
In progress				

#### Roof 4

Roof area: 18,786.75 SF Squares: 187.9 SQ Soffit: 664.16 SF  
 Gutters: 332.09 LF Ridge: 0.00 LF  
 Valley: 0.00 LF Hip rafter: 0.00 LF

31 TPO Roofing, 80 mil, Fully Adhered - Remove	187.87	\$89.56	SQ	\$16,825.64
32 TPO Roofing, 80 mil, Fully Adhered - Replace	205.66	\$455.56	SQ	\$94,146.09
<input checked="" type="checkbox"/> Includes 10% waste on quantity.				
33 Counterflashing (LF) - Remove	332.09	\$0.56	LF	\$185.97
34 Counterflashing (LF) - Replace	348.69	\$6.70	LF	\$2,336.23
<input checked="" type="checkbox"/> Includes 5% waste on quantity.				
35 Parapet Wall Flashing, PVC - Remove	332.09	\$3.75	LF	\$1,245.34
36 Parapet Wall Flashing, PVC - Replace	348.69	\$26.32	LF	\$9,177.52
<input checked="" type="checkbox"/> Includes 5% waste on quantity.				
37 Roof Curb, TPO - Remove	332.09	\$5.11	LF	\$1,696.98
38 Roof Curb, TPO - Replace	365.30	\$23.25	LF	\$8,493.23
<input checked="" type="checkbox"/> Includes 10% waste on quantity.				
39 Insulation, Polyisocyanurate 3 1/2" - Remove	18,786.75	\$0.33	SF	\$6,199.63
40 Insulation, Polyisocyanurate 3 1/2" - Replace	19,726.09	\$3.29	SF	\$64,898.84
<input checked="" type="checkbox"/> Includes 5% waste on quantity.				
<input checked="" type="checkbox"/> Shows indentations from Hall to the TPO covering. This will lessen the R-factor of this material and is damaged.				

Roof 4 - Subtotal

\$205,205.41

Roofplan - Subtotal

\$518,226.82

#### ROOFPLAN: Rooftop-HVAC

##### Roof

Roof area: 192.00 SF Squares: 1.9 SQ Soffit: 96.00 SF  
 Gutters: 56.00 LF Ridge: 0.00 LF  
 Valley: 0.00 LF Hip rafter: 0.00 LF

41 Central Air System 5 Ton - Remove	17	\$426.54	EA	\$7,251.18
42 Central Air System 7 Ton - Replace	17	\$9,257.13	EA	\$157,371.21
43 Crane, per Hour 30,000-lbs.	48	\$183.41	HR	\$8,803.68
44 Evac & Recharge A/C System R-22	17	\$408.82	EA	\$6,949.94

Roof - Subtotal

\$180,376.01

Rooftop-HVAC - Subtotal

\$180,376.01



**RICKEY CONRADT INTERNATIONAL, INC**

448 Elm Creek Rd., New Braunfels, TX 78132

TDI#2505600 ENT#84-5156215

Cell-512-800-3614 email-rickey@mailrci.com

Description	Quantity	Unit Price	Per	Total Cost
<b>ESTIMATE: Structure (Appraisers) Claim #57F136724-223 Mr. Dale Haines and General Manager (Motor Imports LTD)</b>				
<input checked="" type="checkbox"/> In progress				
<b>EXTERIOR PLAN: Exterior Plan</b>				
<b>Exterior Plan</b>				
Exterior: 100.00 SF				
Subtractions: 0.00 SF				
45 Garage Door, 1 Section, 16X7' Metal, Insulated - Remove	2	\$33.25	EA	\$66.50
46 Garage Door, 1 Section, 16X7' Metal, Insulated - Replace	2	\$444.37	EA	\$888.74
<b>Exterior Plan - Subtotal</b>				<b>\$955.24</b>
<b>Exterior Plan - Subtotal</b>				<b>\$955.24</b>

<b>FLOORPLAN: General Conditions</b>				
<b>General Items</b>				
47 Dumpster 40 Yard	10	\$749.52	EA	\$7,495.20
48 Permits & Fees	1	\$675.00	LS	\$675.00
49 Forklift, Telescoping Boom, 3-4 ton, Rental rate Per week	20	\$878.00	EA	\$17,560.00
50 Temporary OSHA-roof Perimeter Fence (per WK)	2	\$165.90	EA	\$331.80
<input type="checkbox"/> Excluded market conditions from Tax-Commercial calculation.				
51 Minimum Charge, OSHA, Equipment Rental	1	\$680.50	LS	\$680.50
<input type="checkbox"/> Excluded market conditions from Tax-Commercial calculation.				
52 Site Supervision / Project Management	80	\$63.28	HR	\$5,062.40
<b>General Items - Subtotal</b>				<b>\$31,804.90</b>
<b>General Conditions - Subtotal</b>				<b>\$31,804.90</b>

**RICKEY CONRADT INTERNATIONAL, INC**

448 Elm Creek Rd., New Braunfels, TX 78132

TDI#2505600 ENT#84-5156215

Cell-512-800-3614 email-rickey@mailrci.com

ESTIMATE: Structure (Appraisers) Claim # 57F136724-223, Mr. Dale Haines and General Manager (Motor Imports LTD)  
 In progress

<b>MATERIALS</b>	<b>Quantity</b>	<b>Purchase Qty</b>	<b>Total</b>
Central Air System 7 Ton (Replace)	17 EA	n/a	\$96,541.30
Counterflashing (LF) (Replace)	1,193.31 LF	n/a	\$6,705.41
Dumpster 40 Yard	10 EA	n/a	\$7,495.20
Evac & Recharge A/C System R-22	17 EA	n/a	\$2,764.03
Garage Door, 1 Section, 16'x7' Metal, Insulated (Replace)	2 EA	n/a	\$721.38
Insulation, Polyisocyanurate 3 1/2" (Replace)	47,568.26 SF	n/a	\$104,174.49
Minimum Charge, OSHA Equipment Rental	1 LS	n/a	\$5.50
Parapet Wall Flashing, PVC (Replace)	1,193.31 LF	n/a	\$19,665.75
Roof Curb, TPO (Replace)	1,250.14 LF	n/a	\$9,801.12
TPO Roofing, 80 mil, Fully Adhered (Replace)	498.35 SQ	n/a	\$137,420.03
			<b>\$385,395.21</b>

<b>LABOR</b>	<b>Quantity</b>	<b>Rate</b>	<b>Total</b>
1 CARPENTER	~4.07 hrs	\$57.53	\$233.86
1 ENGR	~12.36 hrs	\$54.60	\$675.00
1 HVAC TECHNICIAN	~1,064.09 hrs	\$63.98	\$68,081.09
1 LABORER	~9.23 hrs	\$29.39	\$271.34
1 LABORER	~20.57 hrs	\$32.81	\$675.00
1 PLUMBER	~64.26 hrs	\$65.14	\$4,185.91
1 PROJECT SUPERVISOR	~80.00 hrs	\$63.28	\$5,062.40
1 ROOFER	~3,761.48 hrs	\$57.47	\$216,429.59
1 ROOFER & 1 LABORER	~14.21 hrs	\$45.14	\$636.43
1 SHEET METAL WORKER	~23.27 hrs	\$55.58	\$1,288.77
	<b>~5,053.54 hrs</b>		<b>\$297,539.39</b>

<b>EQUIPMENT</b>	<b>Quantity</b>	<b>Total</b>
Crane, per Hour 30,000 lbs.	48 HR	\$8,803.68
Forklift, Telescoping Boom, 3-4 ton, Rental rate, Per week	20 EA	\$17,560.00
Insulation, Polyisocyanurate 3 1/2" (Replace)	47,568.26 SF	\$5,708.19
Temporary OSHA roof Perimeter Fence (per WK)	2 EA	\$60.46
TPO Roofing, 80 mil, Fully Adhered (Replace)	498.35 SQ	\$16,296.04
		<b>\$48,428.37</b>

**RICKEY CONRADT INTERNATIONAL, INC**

448 Elm Creek Rd., New Braunfels, TX 78132

TDL#2505600 ENT#84-5156215

Cell-512-800-3614 email-rickey@mailrci.com

**ESTIMATE: Structure (Appraisers)** Claim #57F136724-223, Mr. Dale Haines and General Manager (Motor Imports LTD)  
 In progress

Total Materials:	\$385,395.21
Total Labor:	\$297,539.39
Total Equipment:	\$40,428.37
Total Market Conditions:	\$0.00
<b>Subtotal:</b>	<b>\$731,362.97</b>
Tax - Commercial 8.250% (applies to materials, labor, equipment and market conditions, some items overridden):	\$60,337.43
<b>Subtotal:</b>	<b>\$791,700.40</b>
Add 10.00% overhead:	\$73,136.29
<b>Subtotal:</b>	<b>\$864,836.69</b>
Add 10.00% profit:	\$80,449.97
<b>Estimate Subtotal:</b>	<b>\$945,286.66</b>
Deductible (\$5,000.00):	\$(5,000.00)
<b>Estimate Total:</b>	<b>\$940,286.66</b>

Finalization

# **Exhibit**

**"F"**

## **Rickey Conradt, International, Inc.**

**Texas Public Adjusters #2505600**

448 Elm Creek Rd. New Braunfels, Texas 78132

Phone 512-800-3614 Fax 866-204-4373

Federal Tax ID# 84-5156215

July 29, 2021


TO: Sentry Select Insurance  
Attn: Eric Dombrowski-Claims  
1800 N. Point Dr.  
Stevens Point, WI 54481

RE: Insured: Motor Imports Ltd  
Attn: Dale Haines-GM  
32120 IH 10 W  
Boerne, Texas 78006

Kind: Wind/Hail  
DOL: 03-23-2021  
CLC. M#: 57F136729  
Mr. Dombrowski,

This letter is in reference to the above-mentioned Claim. This letter is to identify Rickey Conradt International as having an employment assignment contract with the named insured above. This assignment is further proved by the employment agreement signed by the insured and a licensed Texas Public Adjuster forwarded to you and your company via email July 29, 2021. Please, have your assigned adjuster contact me for inspection and disposition on this claim.

Also, under this assignment, please include Rickey Conradt International-Public Adjuster, on any and all drafts issued pertaining to this Claim per Texas State licensing authority. Failure to add Rickey Conradt International Public Adjuster to any and ALL drafts, and there is any difficulty in obtaining compensation it will be the insurance companies' financial responsibility to cover any and all expenses incurred to receive payment from your insured party.

Sincerely,  
  
Rickey G. Conradt  
Texas Public Adjuster #1266865

**Sworn Statement in Proof of Loss**

57F136724

Claim Number

251825256002

POLICY NUMBER

DATE ISSUED

AGENCY AT

DATE EXPIRES

AGENT/BROKER

To the Sentry Select Insurance Co. At time of loss, by the above indicated policy of insurance you insured Motor Imports LTD. against loss by risks of direct physical loss to the property described under schedule "A", according to the terms and conditions of the said policy and all forms, endorsements, transfers and assignments attached thereto.

1. **Time and Origin:** A Wind/Hail loss occurred about the hour of 07 o'clock PM, on the 23 day of March, 2021. The cause and origin of said loss were: Wind/Hail.
2. **Occupancy:** The building described, or containing the property described, was occupied at the time of the loss as follows, and for no other purpose whatever: Automobile Dealer.
3. **Title and Interest:** At the time of the loss the interest of your insured in the property described therein was owner. No other person or persons had any interest therein or incumbrance thereon, except Changes: Since the said policy was issued there has been no assignment thereof, or change of interest, use, occupancy, possession, location or exposure of the property described, except: N/A.
4. **Total Insurance:** The total amount of insurance upon the property described by this policy was, at the time of the loss, Building, as more particularly specified in the apportionment attached under Schedule "C", besides which there was no policy or other contract of insurance, written or oral, valid or invalid.
5. **The Whole Loss and Damage was** \$945,286.68
7. **Less Depreciation** \$45,286.68
8. **Less Amount of Deductible** \$5,000.00
9. **The Amount Claimed ACV under the above number policy** \$895,000.00

The said loss did not originate by any act, design or procurement on the part of your insured, or this affiant; nothing has been done by or with the privity or consent of your insured or this affiant, to violate the conditions of the policy, or render it void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss; no property saved has in any manner been concealed, and no attempt to deceive the said Company as to the extent of said loss, has in any manner been made. Any other information that may be required will be furnished and considered a part of this proof.

**Warning:** Any person who knowingly, and with intent to injure, defraud, or deceive any insurer, makes any claim for the proceeds of an insurance policy, containing any false, incomplete or misleading information, is guilty of a felony.

The furnishing of this blank or the preparation of proofs by a representative of the above insurance company is not a waiver of any of its rights.

Insured Signature \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

by \_\_\_\_\_

INSURED

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

My term Expires \_\_\_\_\_, 20\_\_\_\_

NOTARY PUBLIC

## EXHIBIT B

**CITATION  
PERSONAL SERVICE**  
\*\*\*\*\*

**DEFENDANTS  
COPY**

Clerk of the Court  
Dawn Kay Lantz, District Clerk  
700 Main St., Ste. 236  
Kerrville, TX 78028

Attorney for Plaintiff  
Thomas D Jones  
Law Offices of Thomas D Jones PC  
608 Broadway  
San Antonio TX 78215

\*\*\*\*\*  
TO: Insurance Company  
Registered Agent CT Corporation System  
1999 Bryan Street Suite 900  
Dallas TX 75201

**DEFENDANT- GREETING**  
\*\*\*\*\*

THE STATE OF TEXAS:

CAUSE NO. 2299B

NOTICE TO DEFENDANT: "You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 am on the Monday next following the expiration of 20 days after the date you were served this citation and petition, a default judgment may be taken against you. In addition to filing a written answer with the clerk, you may be required to make initial disclosures to the other parties of this suit. These disclosures generally must be made no later than 30 days after you file your answer with the clerk. Find out more at TexasLawHelp.org."

You are commanded to appear by filing a written answer to the Plaintiff's Petition at or before 10:00 o'clock A.M. on the Monday next after the expiration of 20 days after the date of service hereof, before the Honorable 198th District Court of Kerr County, Texas. Said petition was filed 02/16/2022 on the docket of said court and styled,

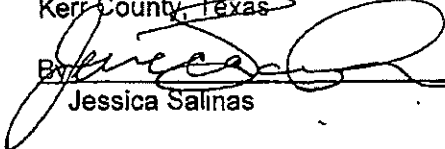
IN RE: POLICY OF INSURANCE NO. 2518256 BY AND BETWEEN SENTRY SELECT INSURANCE COMPANY, INSURER, AND MOTOR IMPORTS LTD

The nature of Plaintiff's demand is fully shown by a true and correct copy of Plaintiff's Petition accompanying this citation and made a part hereof.

The officer executing this writ shall promptly serve the same according to requirements of law, and the mandates thereof, and make due return as the law directs.

Issued and given under my hand and seal of said Court at Kerrville, Texas on this the 17th day of February, 2022.

**DAWN KAY LANTZ, DISTRICT CLERK**  
198th District Court  
Kerr County, Texas

By  Deputy  
Jessica Salinas

